

OWWO

For KCC Use: 8-15-04
Effective Date: 8-15-04
District # 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
September 1999
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date August 10, 2004
month day year

Spot East
NE SW NW Sec. 24 Twp. 27 S. R. 5 West

OPERATOR: License# 5214
Name: Lario Oil & Gas Company
Address: 301 South Market
City/State/Zip: Wichita, KS 67202
Contact Person: Jay G. Schweikert
Phone: 316-265-5611

1650 feet from N (circle one) Line of Section
990 feet from W (circle one) Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 5929
Name: Duke Drilling Co., Inc.

County: Kingman
Lease Name: Stannard Well #: 2-24 RE/SWD
Field Name: Bonjour

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippian

Nearest Lease or unit boundary: 990 ft

Ground Surface Elevation: 1455 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 150 ft

Depth to bottom of usable water: 180 ft

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe ~~Planned to be set~~: already @ 230' w/185 sks

Length of Conductor Pipe required: None

Projected Total Depth: 4700 ft

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Well Drilled For:		Well Class:		Type Equipment:	
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary	<input type="checkbox"/> Air Rotary	<input type="checkbox"/> Cable
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Wildcat	<input checked="" type="checkbox"/> Other	
<input checked="" type="checkbox"/> OWWO	<input checked="" type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Other			
<input type="checkbox"/> Seismic; # of Holes _____					
<input type="checkbox"/> Other _____					

If OWWO: old well information as follows:
Operator: J.A. ALLISON
Well Name: Bomholt #1
Original Completion Date: 8/25/72 Original Total Depth: 4157'

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq. It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. **In all cases, NOTIFY district office** prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 7/30/04 Signature of Operator or Agent: Jay G. Schweikert Title: Operations Engineer

For KCC Use ONLY

API # 15 - 095-20284-00-01

Conductor pipe required NONE feet

Minimum surface pipe required 230 feet per Alt. 1

Approved by: RJPB-10-04

This authorization expires: 2-10-05
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

24
27 SW

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____
 Operator: Lario Oil & Gas Company
 Lease: Stannard
 Well Number: 2-24 RE/SWD
 Field: Bonjour

Location of Well: County: Kingman

 1650 feet from S N (circle one) Line of Section

 990 feet from E / W (circle one) Line of Section
 Sec. 24 Twp. 27 S. R. 5 East West

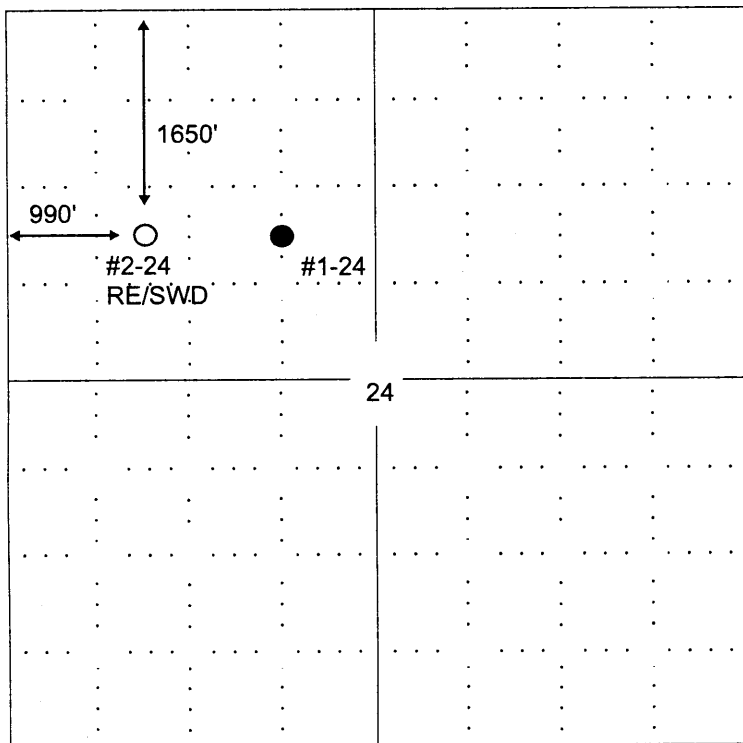
Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NE - SW - NW

Is Section Regular or _____ Irregular

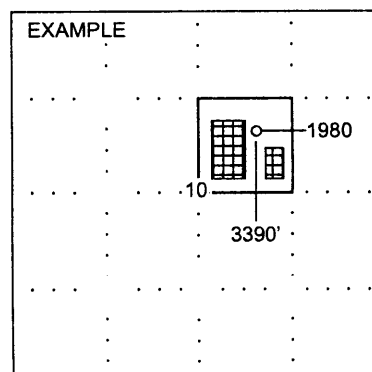
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: ___ NE ___ NW ___ SE ___ SW

PLAT

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)*



RECEIVED
 AUG 02 2004
 KCC WICHITA



SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

August 9, 2004

Mr. Jay G. Schweikert
Lario Oil & Gas Company
301 South Market
Wichita, KS 67202

Re: Drilling Pit Application
Stannard Lease Well No. 2-24 RE/SWD
NW/4 Sec. 24-27S-05W
Kingman County, Kansas

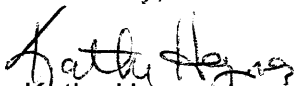
Dear Mr. Schweikert:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

Should a haul-off pit be necessary, please complete the enclosed CDP-1. This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,


Kathy Haynes

Environmental Protection and Remediation Department

Cc: D Louis